



Aditya Birla Fashion and Retail posts 26% YOY revenue growth in Q4FY23 despite a challenging consumption environment

Performance Highlights for the Quarter

1. Company accelerates its growth momentum and continues to make significant progress viz a viz its long-term plan.
 - a. 26% YoY growth with revenue at Rs. 2880 Cr for the quarter.
 - b. On a full year basis, revenue reaches Rs. 12418 Cr for FY23, growing 53% YoY and 41% over pre-COVID.
2. Consolidated EBITDA for the quarter stood at Rs. 232 Cr.
 - a. Company achieved its highest ever yearly EBITDA of 1617 Cr.
3. Business growth continued to be led by aggressive offline expansion.
 - a. Branded business network added 104 stores on a net basis in Q4.
 - i. TASVA added 19 new stores to the network.
 - b. Pantaloons added net 25 stores to its network this quarter.
4. Company further strengthens its Digital and Omnichannel play.
 - a. E-com sales in Q4 grew 77% YoY driven by effective B2B partnerships and brand.com.
 - i. E-com yearly revenue is now more than 1300 Cr.
 - ii. Lifestyle's new SuperApp launched; aimed at redefining convenience & personalization.
 - b. Apart from integrating the acquired brands, TMRW continues to engage in business model advancements and drive value creation for these brands.
5. Company recently announced its largest strategic acquisition in line with its strategy to build a comprehensive ethnic wear portfolio.
 - a. Entered into definitive agreements to acquire TCNS Clothing Company Limited, the owner of ethnic brands W, Aurelia, Wishful, Folksong and Elleven.
6. Closed the quarter with net debt of Rs. 1422 Cr primarily on account of continued investments in new growth ventures.



Financial Performance

The Board of Directors of the Company, at its meeting today, approved the results for the quarter ended 31st Mar 2023. These financials are post factoring in necessary adjustments under Ind AS 116.

Financials – Q4

Standalone In Rs. Cr.	Q4 FY22	Q4 FY23	Growth % (vs. LY)	Consolidated In Rs. Cr.	Q4 FY22	Q4 FY23	Growth % (vs. LY)
Revenue	2181	2651	22%	Revenue	2283	2880	26%
EBITDA	396	258	-35%	EBITDA	401	232	-42%
PAT	50	-128		PAT	32	-195	

Financials – FY

Standalone In Rs. Cr.	FY22	FY23	Growth % (vs. LY)	Consolidated In Rs. Cr.	FY22	FY23	Growth % (vs. LY)
Revenue	7824	11737	50%	Revenue	8136	12418	53%
EBITDA	1174	1705	45%	EBITDA	1203	1617	34%
PAT	-81	133		PAT	-118	-59	

Growth in quarterly revenue was propelled by robust retail like-to-like (LTL) sales across businesses, accelerated omnichannel play and network expansion as the company added 500+ stores in the last one year. Net profit for the quarter were impacted due to negative operating leverage on the back of sluggish sales. The increase in marketing spends (~1.5 times of LY) and continued investments in TMRW also impacted profitability in the quarter.

Each of the business segments posted robust performance.

- **Lifestyle brands** – Best Q4 for lifestyle brands as revenue grew 14% YoY to reach Rs. 1535 Cr on the back of strong 16% retail LTL growth. EBITDA stood at Rs. 225 Cr. Brands have continued to expand their loyal customer base by providing high-end quality merchandise across categories and through impactful marketing campaigns. Brands added net 49 stores to its network during the quarter and also achieved solid growth in its small-town network, expanding to 600 stores with profitable operations.



- **Pantaloons** – Business posted quarterly sales of Rs. 798 Cr, growth of 18% YoY on the back of 13% L2L growth. This is despite the sudden slowdown in discretionary demand, particularly in the value & masstige segment. Even with market challenges, the business remains on track for its long-term growth prospects, as it added net 25 stores during the quarter to exit FY23 with 431 stores.
- **Inner wear & athleisure segment** posted ~10% revenue growth YoY this Q4 despite the continued slowdown in the outerwear segment. During the quarter, the brand bolstered its reach and impact by adding 900+ MBOs to exit with ~32000 trade outlets. Business unveiled its fresh new retail identity for a superior shopping experience.
- **Youth Fashion segment** consisting of American Eagle and Forever 21 delivered strong performance driven by strategic expansion in newer markets and on the back of brand building initiatives. American Eagle in Q4 delivered 86% revenue growth YoY and retail LTL growth of 19%.
- **Super premium brands**, comprising of the multi-brand format “The Collective” and other super-premium brands, delivered a solid performance in Q4 with YoY revenue growth of 45% YoY and strong retail LTL growth of 31%. With a steady increase in online performance and implementation of targeted marketing campaigns, thecollective.in is on track to become the premier luxury E-com destination in India.
- Brand **Reebok** has commenced its distribution expansion by opening new stores, relaunching reebok.in, and initiating department stores and marketplace partnerships. The brand also partnered with new ambassadors to enhance its salience and awareness.
- **Ethnic businesses** grew ~72% YoY this quarter, through strategic market development, leveraging new store openings and impactful marketing initiatives. Sabyasachi grew 42% YoY in Q4 as the brand continued to be the preferred brand among HNIs and celebrities. Men’s premium ethnic wear brand TASVA continued its aggressive expansion to exit FY23 with 51 stores. S&N posted its highest-ever quarterly revenue with 40% growth YoY. SNCC by S&N, a sport-inspired lifestyle brand, continued to garner recognition.

OUTLOOK

As the economic situation recovers, the company remains focused on its clearly articulated strategy of building strong, timeless brands and managing the businesses with flexibility and agility. With a long-term rise in discretionary consumption, the apparel industry is primed for significant growth bolstered by premiumization and an accelerated shift from unbranded to branded products.



ABFRL's strong repertoire of well-known brands, combined with a sharp focus on product excellence, customer centricity, sustainability, and distribution expansion, gives it the confidence to deliver consistent and sustainable growth.

About Aditya Birla Fashion and Retail Limited

ABFRL is part of a leading Indian conglomerate, The Aditya Birla Group. With revenue of Rs. 12,418 Cr. spanning retail space of 10.8 million sq. ft. (as on March 31, 2023), it is India's first billion-dollar pure-play fashion powerhouse with an elegant bouquet of leading fashion brands and retail formats.

The Company has a network of 3,977 stores across approximately 33,535 multi-brand outlets with 6,723 point of sales in department stores across India (as on 31st March 2023).

It has a repertoire of India's largest brands in **Louis Philippe, Van Heusen, Allen Solly** and **Peter England**, established over 25 years. **Pantaloons** is one of India's leading fashion retailer.

Company's international Brands portfolio includes - **The Collective**, Amongst India's largest multi-brand retailers of international brands and has long term exclusive partnerships with select brands such as **Ralph Lauren, Hackett London, Ted Baker, Fred Perry, Forever 21, American Eagle, Reebok and Galeries Lafayette**.

The Company's foray into branded ethnic wear business includes brands such as **Jaypore, Tasva & Marigold Lane**. The company has strategic partnerships with Designers '**Shantnu & Nikhil**', '**Tarun Tahiliani**', '**Sabyasachi**' and '**House of Masaba**'.

In addition, to cater to the needs of digitally native consumers, ABFRL is building a portfolio of Digital-first brands under its technology led 'House of D2C Brands' venture **TMRW**. **TMRW** is on a path to building a portfolio of Digital First brands in partnership with founders of emerging brands in the E-Commerce market. With a focus on Fashion & Lifestyle categories, **TMRW** is building a portfolio of the most loved consumer brands that tap into the significant growth potential in India and globally.

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